



Industrial Development Board

Twenty-fourth session
Vienna, 19-22 June 2001
Item 7 of the provisional agenda

ENVIRONMENT-RELATED ACTIVITIES

Report by the Director-General

Provides information on recent progress made in implementing resolution GC.8/Res.2 on UNIDO and the Global Environment Facility. Reports on the implementation of resolution GC.8/Res.3 on sustainable industrial development, and of decision IDB.23/Dec.11 on climate change and environment.

Introduction

1. The present document provides information relevant to three specific mandates:

- Updates documents IDB.22.4 and IDB.23/11 on progress made in implementing General Conference resolution GC.8/Res.2 (Global Environment Facility (GEF) and technical cooperation activities);
- Updates document IDB.22.9 on action taken in the implementation of resolution GC.8/Res.3 (sustainable industrial development);
- Reports on the implementation of Board decision IDB.23/Dec.11 (climate change and environment).

I. RESOLUTION GC.8/RES.2—GLOBAL ENVIRONMENT FACILITY

2. Strengthening the existing working relationship between UNIDO and GEF, a number of activities were undertaken by both organizations, aimed particularly at deepening the mutual knowledge of mechanisms, strategies and policies.

3. Following an invitation by the GEF secretariat, an important step towards closer cooperation between UNIDO and GEF was taken in early November 2000,

when for the first time UNIDO was represented at the GEF Council meeting, held in Washington, D.C. The Council confirmed its support to UNIDO, particularly in the area of Persistent Organic Pollutants (POPs). It was also decided on that occasion that the executing agencies with expanded opportunities would be authorized in the future to access GEF funds, not only for the preparatory phases but also, and most importantly, for full-scale projects.

4. After the GEF Council meeting, an internal briefing was held at UNIDO Headquarters on the occasion of the official visit of the GEF Assistant Chief Executive Officer and Corporate Finance Manager, in November 2000, to review the terms of cooperation and discuss two agreements required for its finalization.

5. Selected UNIDO staff members were invited by the GEF secretariat to participate, together with other partner agencies, in a GEF familiarization seminar in Washington, D.C. at the end of November. At this intense two-day event, participants worked through a mixture of formal presentations, case studies and discussions covering key policies, programmes, procedures and criteria.

6. In recognition of its expertise in POPs, UNIDO was invited in January 2001 to become a member of the GEF Inter-Agency Task Force on POPs and to actively

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

participate in drafting a GEF Council document entitled "Initial guidelines for enabling activities for the Stockholm Convention on POPs". Likewise, the GEF secretariat requested UNIDO to take the lead in the preparation of the GEF strategy on POPs by-products.

7. The GEF secretariat indicated on the occasion of a UNIDO team mission to Washington in February that it would consider funding up to 12 UNIDO projects per year, subject to the availability of UNIDO supplementary resources. The average GEF project size is \$9 million. On the same occasion, UNIDO informally submitted six project concepts for possible consideration by GEF: three on POPs, two on international waters and one on renewable energy and climate change. Subsequently, and as agreed during the mission, the GEF Corporate Finance Manager paid a visit to UNIDO Headquarters in March 2001 to finalize the draft financial procedures agreement.

8. Also in March 2001, UNIDO participated in the GEF-UNEP workshop on information-sharing and data exchange, which discussed project information management mechanisms and their application to environment-related projects and programmes.

Enhancing the potential for UNIDO cooperation

9. A number of promotional activities took place in the period under review to increase UNIDO's visibility in those areas selected for cooperation between UNIDO and GEF. Accordingly, in October 2000, at the event on UNIDO energy strategy that preceded the twenty-third session of the Board, a paper was presented on sustainable energy futures. The paper identified, *inter alia*, the issues arising from the worldwide growth in energy demand and its potential environmental impact. In addition, another paper on UNIDO's efforts towards the implementation of the POPs Convention was presented.

10. To illustrate UNIDO's work in the area of sustainable development of water resources, a UNIDO strategy paper on integrated assessment, management and governance in river basins, coastal zones and large marine ecosystems was issued at the beginning of 2001. Much of the work presented in this document might be undertaken with GEF support.

11. Piloting a series aimed at covering all developing regions, the first GEF training and awareness initiative for UNIDO Representatives in the African region took place at Lagos, Nigeria, in October 2000. Participants were trained in topics related to GEF instruments, its constitution, governing bodies and project cycle.

12. In the same month, a presentation by the Executive Secretary of the United Nations Framework Convention on Climate Change on climate change and the Kyoto Protocol intergovernmental process was held for Permanent Missions to UNIDO.

13. In the area of POPs, UNIDO participated in the fifth session of the Intergovernmental Negotiating Committee for an International Legal Binding Instrument for Implementing International Action on Certain POPs, and in the International POPs Elimination Network NGO Preparatory Workshops, both held at Johannesburg, South Africa in December 2000.

14. In direct response to resolution GC.8/Res.2, UNIDO entered the second phase of the project for development and promotion of UNIDO's strategy towards GEF-fundable activities in March 2001, building upon the results achieved in phase one.

Projects

15. Parallel to the promotional activities mentioned above, a number of developments occurred in connection with specific projects. Of major importance was UNIDO's participation in the first meeting of the African stockpile project (ASP) stakeholders hosted by FAO in February 2001 (to be followed in April 2001 by the second meeting of ASP stakeholders hosted by the World Bank) in which several agreements and new points of consensus were achieved. Aimed at identifying and disposing of obsolete pesticide stockpiles from all African countries in an innovative and cost-efficient manner, this project offers significant potential impact.

16. In the framework of the Dnieper River Basin environment programme, UNIDO participated in the UNDP GEF inception workshop held in Kiev, Ukraine, in March 2001, thereby contributing to the preparation of an action plan for the remediation of environmental damage to the international waters of the Dnieper River and its basin inflicted through POPs. This programme is a potential pilot case whose scope could eventually cover the international waters of the Black Sea, and it is therefore of great relevance for the region.

17. The second phase of the project on energy conservation and greenhouse gas emissions reduction in Chinese township-village enterprises was approved at the end of 2000 with a budget of \$7.4 million.

18. In March 2001, the Government of China requested UNIDO to assist in the formulation of a GEF project proposal for the development of a national strategy and implementation plan for POPs. This proposal was submitted to the GEF secretariat at the end of March 2001.

II. RESOLUTION GC.8/RES.3—SUSTAINABLE INDUSTRIAL DEVELOPMENT

19. The principal activity undertaken since the issuance of document IDB.22/9 concerns UNIDO preparations for the World Summit on Sustainable Development (Rio+10), which will be convened at Johannesburg, South Africa, in September 2002.

UNIDO is involving itself in this process of preparatory activities to meet two objectives:

- To secure a resolution in the final document of WSSD that acknowledges the key function of industry in sustainable development.
- To secure an enhanced mandate for the UNIDO technical cooperation programme.

20. UNIDO's involvement is based on the following activities:

(a) An interdivisional task force was established in August 2000 to coordinate UNIDO preparations. Membership covers those UNIDO branches whose work is most relevant to the scope of Agenda 21, and whose implementation will be reviewed and assessed at the Summit.

(b) Members of the task force have been preparing UNIDO's input to the United Nations Inter-Agency Committee on Sustainable Development (IACSD), which has prepared a series of reports that will form the basis of the Secretary-General's report for the Summit. The report will be used at the Summit to review and assess the implementation of Agenda 21 and establish the programme for its further implementation. Task managers from throughout the United Nations system have been assigned to the 40 chapters of Agenda 21 and have worked together to prepare 20 review reports. UNIDO task force members have been involved in reviewing the drafts of these reports and giving UNIDO-specific inputs.

(c) UNIDO will participate in the semi-annual meetings of IACSD as well as in other preparatory events.

(d) UNIDO will undertake an assessment of whether industrial activities in developed and developing countries have converged on or diverged from sustainable development targets over the past decade. This assessment will draw on the analysis undertaken for the World Industrial Development Report and the UNIDO report for the forthcoming Third United Nations Conference on the Least Developed Countries. The findings of this assessment will be UNIDO's central input to various preparatory activities.

(e) UNIDO will work with a selected number of developing countries to ensure that their national reports for the Summit reflect the contribution that industry can and has made to sustainable development (with respect to economy, employment and environment);

(f) UNIDO will ensure that the United Nations regional commissions take into account the contri-

butions of industry to sustainable development when they are preparing their inputs.

(g) UNIDO will commission a few international and national NGOs to prepare papers for the Summit. The papers will highlight the contribution of industry to sustainable development. UNIDO will also solicit the cooperation of such NGOs as the International Chamber of Commerce and Industry, the World Business Council for Sustainable Development, and the Prince of Wales Foundation.

(h) UNIDO will review and coordinate all its regional and global meetings, publicity efforts and publications to ensure that they reflect sustainable development considerations.

(i) UNIDO will show that it is assisting developing countries with technical cooperation projects integrated programmes that promote sustainable development as distinct from those that contribute to better environmental management. UNIDO will put forward candidate projects that could be presented at the Summit.

(j) At the Summit, UNIDO will publicize some of its major current environmental projects that have a strong sustainable development element, such as the national cleaner production centre programme, water pollution control in the leather sector, integrated coastal zone management, and industrial energy efficiency, and generally prepare promotional material and displays.

(k) Finally, UNIDO will participate in the Summit itself.

III. DECISION IDB.23/DEC.11—CLIMATE CHANGE AND ENVIRONMENT

21. Despite resource constraints, UNIDO was able to enhance its visibility in the Climate Convention negotiations through a number of initiatives completed at the sixth session of the UNFCCC Conference of the Parties (COP 6) at the Hague in November 2000.

(a) Hosting a side event on industrial energy cogeneration on the margins of the convention negotiations—The event was chaired by UNIDO, and hosted by UNIDO and the International Cogeneration Alliance. UNIDO experts from China, India and Nigeria presented cogeneration projects and national experiences with the implementation of energy efficiency measures;

(b) UNIDO maintained a permanent exhibition stand on the Organization's energy efficiency and climate-related work, featuring a PC-based presentation, reports and studies including UNIDO initiatives on industrial cogeneration and capacity-building work for

the Clean Development Mechanism (CDM) in the African industry sector;

(c) A plenary intervention during the high-level segment of the negotiations focusing on UNIDO's work on addressing industrial marginalization and measures that must be taken if poorer countries are to benefit from the CDM;

(d) Individual meetings with national delegates, business, industry and environmental NGOs, and other United Nations organizations to elicit support for UNIDO's work on climate and energy issues.

22. In response to the expression of support of the Board for UNIDO's work in capacity-building and technology transfer (IDB 23 Dec 11, para. (h)), the following work was undertaken:

(a) Implementation of a project on capacity-building for the CDM involving four United Nations agencies (UNDP, UNIDO, UNCTAD and UNEP) with the Climate Convention Secretariat as coordinating agency. This project—"Engaging the private sector in CDM project activities under the UNFCCC/Kyoto Protocol"—focuses on assisting potential CDM recipient countries to build the capacities required for launching CDM programmes and projects in the industrial and energy sectors. The activities envisaged are designed to strengthen the capacity of recipient countries for project assessment and formulation, focusing on the development of methodological options for baseline and additionality assessment and on building capacities to enable them to carry out promotional activities for CDM investment projects. This project is funded by the United Nations Foundation (from the "Turner Fund");

(b) Another Turner Fund project, to improve the efficiency of Chinese industrial motor systems, is under implementation in cooperation with the United States Department of Energy, which is co-funding the project. Two further Turner Fund "planning grants" addressing industrial cogeneration and mini-hydropower for rural areas, also to be executed in China, were approved in March 2001. Successful implementation of these preparatory projects will lead to full-scale project proposals for consideration by the Fund at the end of 2001.

23. Following the completion of the first phase of a capacity-building initiative for the CDM with African industries in 1999, African experts—with the support of UNIDO—attended the thirteenth session of the Climate Convention Subsidiary Bodies at Lyon, France, in September 2000, where they presented the results of

their studies at a UNIDO side event. The Chairman of the African Group at UNFCCC welcomed UNIDO's activities and requested that the programme be continued and expanded. Phase II is now under way. Copies of project reports were distributed to all African delegates at COP 6.

24. A similar project for ASEAN countries has been developed and approved by UNIDO, and CDM capacity-building is also the subject of an initiative being developed with the UNIDO Cleaner Production Centres for Latin America. A CDM component of the country service framework for Nigeria was completed and approved in 2000. Interest was expressed by Norwegian oil and gas sector representatives in co-hosting a workshop on the CDM in Nigeria.

25. In its capacity as the lead agency for the thematic round table on energy at the Third United Nations Conference on the Least Developed Countries (LDC III), and in collaboration with UNCTAD and with the support of the Government of Austria, UNIDO convened a high-level pre-conference meeting on energy from 14 to 16 March 2001 in Vienna. Over 50 experts and high-level participants from government agencies, United Nations bodies, private business and industry, academic institutions, international and non-governmental organizations attended. The meeting provided an opportunity to examine energy for sustainable development in LDCs. Plenary sessions focused on four key issues: access to energy; the rational use of energy, including energy efficiency; financing and promotion of investment in the energy sector; and LDCs and hydrocarbons, including innovative ways to address oil price fluctuations and their impact on LDCs' balance of payments.

26. On the meeting's final day, participants produced text summarizing suggested key outputs or deliverables to be carried forward to the round table on energy at LDC III. These include support for large-scale initiatives in selected LDCs for an integrated rural development programme, promotion of the role of private energy service companies, and organization of an event on the development of strategies to protect against oil price fluctuations. These will be considered by the development partners at the round table. In parallel, a number of related actions include project identification and formulation missions to Bhutan, Mali and Zambia.

IV. ACTION REQUIRED OF THE BOARD

27. The Board may wish to take note of the information provided in the present document.



United Nations Industrial Development Organization

Distr.
GENERAL

IDB 24/13
18 April 2001

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-fourth session

Vienna, 19-22 June 2001

Item 10 of the provisional agenda

ADMINISTRATIVE MATTERS

Personnel matters

Report by the Director-General

Provides information on developments in the common system, consequent amendments to schedules and annexes to the staff regulations and amendments to the staff rules. Invites the Board to recommend to the ninth session of the General Conference for election members and alternate members of the Staff Pension Committee representing the governing bodies.

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1	3
Chapter		
I. COMMON SYSTEM DEVELOPMENTS	2 - 8	3
II. MATTERS RELATED TO THE STAFF RULES	9 - 15	4
III. REPRESENTATION OF THE UNIDO GOVERNING BODY ON THE UNIDO STAFF PENSION COMMITTEE	16 - 20	5
IV. ACTION REQUIRED OF THE BOARD	21	5

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

CONTENTS (*continued*)

	<i>Page</i>
<i>Annexes</i>	
I. Schedule I—Salary scales for the Professional and higher categories showing annual gross salaries and the net equivalents after application of staff assessment	6
II. Annex I to the staff regulations—dependency allowances	7
III. Annex II to the staff regulations—amounts of education grant and special education grant	8
IV. Staff Rule 103.12—Appointment and Promotion Board	9
V. Appendix A—General Service category. Showing annual gross, gross pensionable and net salary after application of staff assessment	12
VI. Appendix A (continued)—Dependency allowances	13
VII. Scale of pensionable remuneration for the Professional and higher categories	14
VIII. Appendix E—education grant	15
IX. Appendix G to the staff rules—official travel	17

Introduction

1. The present document provides information on common system developments and the representation of the UNIDO governing body on the Staff Pension Committee. It reports on consequent amendments to schedules of and annexes to the staff regulations and on amendments to the staff rules. Information on the composition of the Secretariat is contained in appendix I to the Annual Report 2000.

I. COMMON SYSTEM DEVELOPMENTS

2. At its fifty-fifth session the General Assembly adopted resolution 55/223 on the United Nations common system. In considering the item, the Assembly reaffirmed its commitment to a single, unified United Nations common system as the cornerstone for the regulation and coordination of conditions of service. In this respect, it reaffirmed the central role of the International Civil Service Commission (ICSC). Furthermore, the Assembly expressed its conviction that the common system constitutes the best instrument to secure staff of the highest standards of efficiency, competence and integrity for the international civil service as stipulated in the Charter of the United Nations.

3. As provided in Article 11.5 of the UNIDO Constitution, "The conditions of service of staff shall conform as far as possible to those of the United Nations common system." In accordance with that principle, staff regulation 13.3 provides that the Director-General is authorized, within the budgetary level approved by the General Conference, to make appropriate amendments to the schedules and annexes to the staff regulations so as to bring them into conformity with any relevant decisions that may be taken by the General Assembly of the United Nations on the recommendation of ICSC.

Salary scales for the Professional and higher categories—amendment to schedule I of the staff regulations

4. In resolution 55/223 the General Assembly recalled section I.H of resolution 44/198, by which it established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving at the base city of the comparator civil service (the federal civil service of the United States of America). The Assembly approved effective 1 March 2001 a revised base scale of gross and net salaries for the Professional and higher categories. The base scale reflects an increase of 5.1 per cent, which, according to standard procedures, is accompanied by a consequential decrease of post adjustment effective 1 March 2001. The revision is implemented on

a "no loss, no gain" basis as far as salary payments are concerned. It will entail an increase in the scale of separation payments and the mobility and hardship allowances paid to eligible staff, as the base salary scale is used to determine these payments. The revised scale is contained in annex I to the present document.

Dependency allowance—amendment to annex I to the staff regulations

5. The General Assembly recalled resolution 47/216 in which it stated that ICSC would review the level of dependency allowances every two years. It noted the review by ICSC of dependency allowances reflecting relevant changes in tax abatement and social legislation payments at the seven headquarters duty stations since 1998. The Assembly accordingly approved, effective 1 January 2001, an increase of 11.89 per cent in the children's allowance including that for disabled children, and in the secondary dependant's allowance.

6. The Assembly noted the updated list of hard currency duty stations for which the allowances are specified in local currency, including Austria. Accordingly, in United States dollar terms, the children's allowance was raised from \$1,730 to \$1,936 per year and the secondary dependant's allowance from \$619 to \$693 per year. For a child determined to be physically or mentally handicapped the allowance was raised from \$3,460 to \$3,872. In Austrian schillings, the amounts were raised from ATS 28,256 to ATS 31,615, from ATS 10,438 to ATS 11,679 and from ATS 56,512 to ATS 63,230. The revised amounts in US dollars are shown underlined in annex II to the present document. The Assembly noted that these allowances payable to eligible staff should be reduced by the amount of any payments received from a Government (a provision contained in the UNIDO staff regulations).

Annex II to the staff regulations—amounts of education grant and special education grant

7. Recalling resolution 54/238 by which it requested the ICSC to complete the review of the methodology for the education grant, the General Assembly noted the Commission's recommendation that further consideration of the scope and purpose of the education grant would best be conducted under the overall review of the pay and benefits system, which is currently under way. It urged the organizations of the common system to harmonize their rules and regulations to ensure that the education grant be treated as a benefit payable to internationally recruited staff with expatriate status only, as provided for in the UNIDO staff regulations, and approved the recommendation of the ICSC to increase the maximum reimbursement levels in five currency areas, as well as other adjustments to the management of the reimbursement of expenses under the education grant as contained in paragraph 93 of the

ICSC report. The currency areas where increases were approved are as follows: Belgian franc, Irish pound, Italian lira, Swiss franc, United States dollars (in the United States). In other specified currency areas, including in Austrian schillings and in United States dollars for expenses incurred in educational institutions outside the United States, the maximum grant and admissible expenses remain at current levels. The relevant amendments to annex II to the staff regulations are shown in annex III to the present document.

Review of the pay and benefits system

8. The review of the pay and benefits system was identified by the ICSC and the organizations of the common system as a priority element within the framework on human resources management adopted by ICSC and approved by the General Assembly in 2000 (resolution 55/223). Problems with the pay and benefits system have been expressed repeatedly over the last decade or so, most particularly in the context of the organizations' recruitment and retention difficulties, but also with respect to the system's complexity and rigidity. In its present form it is often seen as not always offering flexible solutions to the organizations' needs and problems. The objective of the review is to provide options for a competitive system which enables organizations to attract, develop and retain high quality staff, rewards staff on the basis of merit and competence, recognizes team as well as individual performance, and simplifies the current system with a view to ease of administration and greater cost effectiveness. Recalling its resolutions 51/216, 52/216 and 53/209, the General Assembly took note of the work accomplished by the Commission to date on this subject and also noted the decision of the ICSC to continue its work thereon. The review, which is to be conducted over a two-year period starting in 2000, so far consists of a synthesis of the work of three focus groups that examined the priority areas of the nature of work, management capacity and rewarding contribution. The results will be presented to the summer 2001 session of ICSC when the next steps and agenda will be decided upon.

II. MATTERS RELATED TO THE STAFF RULES

9. **Appointment and Promotion Board—staff rule 103.12.** Amendments have been introduced relating to the composition of the Appointment and Promotion Board and certain operational aspects. The revised text is shown in annex IV to the present document. Deletions are contained in square brackets and amendments are underlined. Additional improvements to further streamline the recruitment process are being considered.

10. **Appendix A to the staff rules.** In accordance with the Flemming principle, General Service staff shall

have pay and other conditions of employment that match the best on offer at the duty station. The principle was first stated in 1949 by a body of experts on pay established by the General Assembly of the United Nations. It is the cornerstone of the methodology followed by ICSC for the conduct of local salary surveys. Based upon the Flemming principle, staff regulation 6.5 (a) provides that "The Director-General shall fix the salary scales for staff in the General Service and related categories, normally on the basis of the best prevailing conditions of employment in the locality, taking into account the recommendations of the International Civil Service Commission." Based on the approved ICSC methodology, which takes account of changes in the consumer price and wages indices over a period of 12 months, and in consultation with the other Vienna-based organizations, the Director-General implemented an interim adjustment of the salary scales for General Service staff of 1.9 per cent to the salary scale applicable to staff recruited on or after 1 October 1996 and of 1.35 per cent to the salary scale applicable to staff recruited prior to 1 October 1996, effective 1 April 2000. The revised scale is contained in annex V to the present document.

11. **Appendix A to the staff rules—dependency allowance for children of staff in the General Service category.** Staff regulation 6.9 (b) stipulates that "Staff in the General Service and related categories shall be entitled to receive dependency allowances at rates and under conditions determined by the Director-General, due regard being given to the circumstances in the locality." Following the changes to the Austrian children's allowance (Familienbeihilfe) and the relevant tax credit (Kinderabsetzbetrag) with effect from 1 January 2000, nine categories of children's dependency allowance for staff in the General Service category were introduced effective 1 January 2000. The revised annual rates of the dependency allowance (in Austrian schillings) approved by the Director-General are contained in annex VI to the present document. Any government grant received by eligible staff is deducted from the staff member's emoluments.

12. **Appendix C to the staff rules.** In accordance with article 54 (b) of the regulations of the United Nations Joint Staff Pension Fund, the scale of pensionable remuneration should be adjusted on the same date as the net remuneration amounts of officials in the Professional and higher categories in New York. ICSC promulgated a revised scale of pensionable remuneration effective 1 November 2000. The revised appendix C to the staff rules is contained in annex VII to the present document.

13. **Appendix E to the staff rules.** Appendix E to the staff rules, showing the revised amounts for education grant and special education grant as reported in paragraph 7 above, is contained in annex VIII to the present document.

14. **Official travel—appendix G to the staff rules.** In order to streamline procedures and to reduce the administrative costs of processing various travel-related transactions, the option to elect to receive a lump sum payment of an amount equivalent to 75 per cent of the costs of the full economy class or student/youth fare, as applicable, for authorized travel on appointment, change of duty station, education grant, interview and repatriation in addition to the already existing lump sum option for home leave and family visit travel has been introduced. The revised paragraphs (r) (s) and (t) of appendix G to the staff rules are shown in annex IX to the present document. Deletions are contained in square brackets and amendments are underlined.

15. **Financial implications.** The financial implications of the adjustments related to salary, allowances and pensionable remuneration as reported above amount to \$754,300 until the end of the biennium and can be absorbed within the staff cost allocations contained in the programme and budgets, 2000-2001.

III. REPRESENTATION OF THE UNIDO GOVERNING BODY ON THE UNIDO STAFF PENSION COMMITTEE

16. The UNIDO Staff Pension Committee established by the General Conference (GC.1/Dec.37) held six meetings in the course of 2000.

17. The following representatives of the General Conference were elected for the biennium 2000-2001 by decision GC.8/Dec.19 of 3 December 1999.

Members: Mr. Enno Drofenik (Austria)
Ms. Caroline Ziadé (Lebanon)

Alternate members: Mr. José Jorge Alcazar Almeida (Brazil)
Mr. Attila Zsigmond (Hungary)

18. Mr. Lazare Gansoré (Burkina Faso) replaced Mr. José Jorge Alcazar Almeida (Brazil) in June 2000, Mr. Yuji Amamiya (Japan) replaced Mr. Drofenik (Austria) in September 2000. In this connection it is recalled that in subparagraph (b) of GC.8/Dec.19 the General Conference "...authorized the Industrial Development Board to proceed with the election for any of the above-mentioned posts which might become vacant before the General Conference holds its ninth Session".

19. The representatives of the General Conference presently holding office for the biennium 2000-2001 are:

Members: Mr. Yuji Amamiya (Japan)
Ms. Caroline Ziadé (Lebanon)

Alternate members: Mr. Lazare Gansoré (Burkina Faso)
Mr. Attila Zsigmond (Hungary)

20. The General Conference, at its ninth session, will be invited to elect two members and two alternate members as its representatives for the following two-year term in office ending December 2003. In considering its recommendation of candidates to the Conference, the Board—in the interest of continuity—may wish to recommend at least one person who has served previously on the Committee as a member or alternate member.

IV. ACTION REQUIRED OF THE BOARD

21. The Board may wish to consider the adoption of the following draft decision:

"The Industrial Development Board;

"(a) Takes note of the information contained in document IDB.24/13;

"(b) Notes the amendments made in pursuance of staff regulation 13.3 to schedule I and annexes I and II to the staff regulations in order to bring them into conformity with the decisions of the General Assembly set out in resolution 55/223;

"(c) Also notes the amendments to staff rule 103.12, appendices A, C, E and G to the staff rules;

"(d) Recommends to the General Conference the following candidates for the election of two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 2002-2003:

Members: (country)
..... (country)

Alternate members: (country)
..... (country)"

Annex I
SCHEDULE I
SALARY SCALES FOR THE PROFESSIONAL AND HIGHER CATEGORIES SHOWING ANNUAL GROSS SALARIES
AND THE NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT
(United States dollars)
Effective 1 March 2001

LEVEL	STEPS														
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
Director															
D-2 Gross	124 384	127 132	129 877	132 623	135 369	138 115									
Net D	87 318	89 022	90 724	92 426	94 129	95 831									
Net S	80 218	81 645	83 072	84 498	85 925	87 352									
Principal Officer															
D-1 Gross	109 894	112 245	114 598	116 944	119 297	121 648	124 002	126 352	128 702						
Net D	78 334	79 792	81 251	82 705	84 164	85 622	87 081	88 538	89 995						
Net S	72 407	73 687	74 967	76 245	77 525	78 796	80 018	81 240	82 460						
Senior Officer															
P-5 Gross	96 705	98 832	100 961	103 089	105 216	107 342	109 471	111 598	113 724	115 853	117 982	120 106	122 234		
Net D	70 157	71 476	72 796	74 115	75 434	76 752	78 072	79 391	80 709	82 029	83 349	84 666	85 985		
Net S	65 176	66 385	67 545	68 703	69 862	71 018	72 177	73 335	74 493	75 651	76 809	77 966	79 101		
First Officer															
P-4 Gross	79 780	81 733	83 680	85 627	87 579	89 527	91 571	93 645	95 723	97 795	99 869	101 947	104 019	106 095	108 171
Net D	59 255	60 544	61 829	63 114	64 402	65 688	66 974	68 260	69 548	70 833	72 119	73 407	74 692	75 979	77 266
Net S	55 180	56 364	57 543	58 722	59 902	61 080	62 259	63 439	64 617	65 796	66 949	68 082	69 210	70 340	71 470
Second Officer															
P-3 Gross	65 388	67 220	69 053	70 880	72 714	74 544	76 373	78 208	80 038	81 868	83 700	85 529	87 361	89 191	91 089
Net D	49 756	50 965	52 175	53 381	54 591	55 799	57 006	58 216	59 425	60 633	61 842	63 049	64 258	65 466	66 675
Net S	46 445	47 556	48 669	49 780	50 892	52 002	53 113	54 225	55 335	56 447	57 555	58 663	59 770	60 877	61 985
Associate Officer															
P-2 Gross	53 129	54 632	56 132	57 633	59 135	60 692	62 332	63 967	65 606	67 244	68 879	70 520			
Net D	41 253	42 335	43 415	44 496	45 577	46 657	47 739	48 818	49 900	50 981	52 060	53 143			
Net S	38 694	39 675	40 653	41 633	42 611	43 592	44 587	45 580	46 577	47 571	48 564	49 561			
Assistant Officer															
P-1 Gross	41 189	42 633	44 075	45 519	46 960	48 403	49 847	51 290	52 731	54 174					
Net D	32 656	33 696	34 734	35 774	36 811	37 850	38 890	39 929	40 966	42 005					
Net S	30 805	31 763	32 720	33 677	34 633	35 590	36 548	37 493	38 434	39 375					

D = Rate applicable to staff members with a dependent spouse or child
S = Rate applicable to staff members with no dependent spouse or child

Annex II**ANNEX I TO THE STAFF REGULATIONS****DEPENDENCY ALLOWANCES****Regulation 6.9**

A. Staff members whose salary rates are set forth in schedule I of the present regulations shall be entitled to receive dependency allowances as follows:

(i) At US\$ [1,730] 1,936 per year for each dependent child, except that the allowance shall not be paid in respect of the first dependent child if the staff member has no dependent spouse, in which case the staff member shall be entitled to the dependency rate of staff assessment under subparagraph (i), regulation 6.8 (a), schedule III. When a dependent child is determined to be physically or mentally handicapped either permanently or for a period expected to be of a long duration, the allowance shall be US\$ [3,460] 3,872. If the staff member has no dependent spouse and becomes entitled to the dependency rate of staff assessment by virtue of such a child, an allowance of US\$ [1,730] 1,936 shall be payable in respect of the child.

(ii) Where there is no dependent spouse, a single annual allowance of US\$ [619] 693 per year for either a dependent parent, a dependent brother or a dependent sister. The amount of either of these allowances payable in local currency shall not be less than the local currency equivalent of the dollar amount at the time it was established or last revised;

B. If both husband and wife are staff members, one may claim, for dependent children, under (i) above, in which case the other may claim only under (ii) above, if otherwise entitled;

C. With a view to avoiding duplication of benefits and in order to achieve equality between staff members who receive dependency benefits under applicable laws in the form of governmental grants and staff members who do not receive such dependency benefits, the Director-General shall prescribe conditions under which the dependency allowance for a child specified in A (i) above shall be payable only to the extent that the dependency benefits enjoyed by the staff member or his or her spouse under applicable laws amount to less than such a dependency allowance;

Annex III

ANNEX II TO THE STAFF REGULATIONS

AMOUNTS OF EDUCATION GRANT AND SPECIAL EDUCATION GRANT

Regulation 6.10 (a)

The amount of the grant for each child per scholastic year shall be 75 per cent of the first US\$ 13,000 ([US\$ 20,748] US\$ 23,445 for attendance at an educational institution in the United States of America) of admissible educational expenses, up to a maximum grant of \$US 9,750 ([US\$ 15,561] US\$ 17,584 in the United States). For staff serving at duty stations where educational facilities are not available or are deemed inadequate, as determined by the International Civil Service Commission, the amount of the grant in respect of primary and secondary education shall be 100 per cent of boarding costs up to [US\$ 4,746] US\$ 5,060 ([US\$ 6,449] US\$ 6,875 in the United States) plus 75 per cent of admissible costs of attendance up to \$US 13,000 ([US\$ 20,748] US\$ 23,445 in the United States) per year, with a maximum grant of [\$14,496] \$US 14,810 ([US\$ 22,010] US\$ 24,459 in the United States) per year. However, in areas where the above-mentioned expenses are incurred in specific currencies, the maximum amounts of admissible expenses expressed in these currencies shall be those set by the International Civil Service Commission.

Regulation 6.10 (b)

The amount of the grant for each disabled child per year shall be the equivalent of the educational expenses actually incurred, up to a maximum of \$US 13,000 ([US\$ 20,748] US\$ 23,445 in the United States). However, in areas where the above-mentioned expenses are incurred in specific currencies, the maximum amounts of admissible expenses expressed in these currencies shall be those set by the International Civil Service Commission.

Annex IV

Staff Rule 103.12

APPOINTMENT AND PROMOTION BOARD

The following definitions will apply to the terminology used in this Staff Rule:

- Appointment:** Contractual agreement to enter and remain in service with the organization following the selection procedure;
- Placement:** Redeployment of a staff member assigned to an abolished post, to a similar position at the same grade, or lateral transfer of staff members, at the same grade, to non-analogous positions;
- Lateral transfers of staff at the same grade, between analogous positions within the same division, falls with the authority of Managing Directors.
- Analogous Posts:** Posts identical in grade, description and requirements.
- Promotion:** Change in grade level within or between categories of posts following selection to a vacant post or reclassification of a post, according to the procedures set up in this Staff Rule.
- Review of staff:** Five-year review of permanent appointments, and review of recommendations made after six years of fixed-term service for further extension of appointments.

- (a) (i) The Appointment and Promotion Board shall be established by the Director-General to give advice on the appointment, placement, promotion and review of staff in the Director, Professional and General Service categories, except for posts in the immediate Office of the Director-General and Special Advisors in EXO and UNIDO Representatives and also for entry grades G1/G2 in the General Service category;
- (ii) Subject to the criteria of article 11, paragraph 5, of the Constitution and to the provisions of staff regulations 3.2 and 4.2, the appointment and promotion bodies shall, in filling vacancies through recruitment, assignment or placement, normally give preference, where qualifications are equal to staff members already in the service of the Organization and staff members in other organizations participating in the United Nations common system. Gender balance and geographic representation should also be duly considered.
- (b) The Appointment and Promotion Board shall consist of three selection panels. Their composition shall be as follows:

(i) The Director (and Principal Officers) Selection Panel.

This Selection Panel shall consist of one Chairperson appointed for each session by the Director-General and composed of the Managing Directors, and any person that the Director-General may appoint. The secretary of the panel will be the Director, Human Resource Management Branch.

(ii) The Professional Selection Panel.

This panel shall consist of

- one Chairperson and one alternate Chairperson appointed by the Director-General for two years;
- one member and one alternate member from each division, appointed by the Director-General for two years from a list [of staff members designated] proposed by each Managing Director comprising at least two designated staff members for each seat of member and alternate member;
- two members and two alternate members, [designated by the Staff Council and] appointed by the Director-General for two years from a list proposed by the Staff Council comprising at least two designated staff members for each seat of member and alternate member.

The quorum shall consist of three members or alternate members. The Secretary of the Panel shall be provided by the Human Resource Management Branch.

(iii) The General Service Selection Panel

This panel shall consist of

- one Chairperson and one alternate Chairperson appointed by the Director-General for two years;
- one member and one alternate member from each division, appointed by the Director-General for two years from a list [of staff members designated] proposed by each Managing Director comprising at least two designated staff members for each seat of member and alternate member;
- two members and two alternate members, [designated by the Staff Council and] appointed by the Director-General for two years from a list proposed by the Staff Council comprising at least two designated staff members for each seat of member and alternate member.

The quorum shall consist of three members or alternate members. The Secretary of the Panel shall be provided by the Human Resource Management Branch.

In order to facilitate the constitution of the selection panels of the Appointment and Promotion Board, the parties involved in the submission of proposals for their membership are expected to do so within a reasonable time span.

Members and alternate members of the Professional and General Service selection panels can only be reappointed for one term of two years. They shall in any event remain in office until the new members and alternates are appointed.

[The minimum grade level of members or alternates of the Professional Selection Panel shall be P-4 and of the General Service Selection Panel G-5.] For any particular review in the Professional Selection Panel or the General Service Selection Panel, where an appointment or promotion is contemplated, the panel, with a quorum of three, will be composed of members and alternate members at a grade not below the grade to which an appointment or promotion is contemplated. [They] Members and alternate members on these panels shall have at least three years of service in the Organization.

Once appointed, members and alternate members shall serve in their personal capacity on the Selection Panels and shall discharge their function with only the interest of the Organization in view.

It is desirable that recommendations to the Director-General be reached by consensus. However, in cases where voting is necessary, the chairperson will have the casting vote.

Annex V

Appendix A

2. General Service category
Showing annual gross, gross pensionable and net salary after application of staff assessment
(in Austrian schillings)
(Effective 1 April 2000)

S T E P S												
LEVEL	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*
G-1 Gross	305 486	315 684	325 883	336 082	346 281	356 479	366 678	376 877	387 075	397 274	407 473	417 671
Gross pens.	302 962	312 658	322 352	332 064	342 264	352 462	362 662	372 861	383 060	393 260	403 460	413 658
Net	245 400	253 253	261 106	268 959	276 812	284 665	292 518	300 371	308 224	316 077	323 930	331 783
G-2 Gross	355 522	367 322	379 122	390 922	402 722	414 522	426 322	438 122	449 922	461 722	473 522	485 322
Gross pens.	351 505	363 305	375 106	386 905	398 706	410 506	422 307	434 107	445 908	457 708	469 509	481 309
Net	283 928	293 014	302 100	311 186	320 272	329 358	338 444	347 530	356 616	365 702	374 788	383 874
G-3 Gross	413 413	427 065	440 717	454 369	468 021	481 673	495 325	508 977	522 629	537 281	551 933	565 585
Gross pens.	409 394	423 047	436 699	450 351	464 004	477 655	491 308	504 959	518 612	532 263	545 916	559 569
Net	328 504	339 016	349 528	360 040	370 552	381 064	391 576	402 088	412 600	423 112	433 624	444 136
G-4 Gross	480 395	496 191	512 116	528 553	544 989	561 426	577 862	594 299	610 735	627 172	643 608	660 045
Gross pens.	476 376	492 172	507 966	523 762	539 556	555 351	571 146	586 941	602 736	618 531	634 326	650 121
Net	380 080	392 243	404 406	416 569	428 732	440 895	453 058	465 221	477 384	489 547	501 710	513 873
G-5 Gross	559 880	578 896	597 912	616 928	635 945	654 961	673 977	692 993	712 009	731 026	750 042	769 058
Gross pens.	553 871	572 146	590 421	608 696	626 970	645 245	663 521	682 796	701 071	720 346	739 621	758 896
Net	439 751	453 823	467 895	481 967	496 039	510 111	524 183	538 255	552 327	566 399	580 471	594 543
G-6 Gross	653 181	675 181	697 181	719 181	741 181	763 181	786 774	810 368	833 962	857 557	881 151	904 745
Gross pens.	643 536	664 727	686 729	708 730	730 730	752 732	774 733	796 735	818 736	840 736	862 738	884 740
Net	508 794	525 074	541 354	557 634	573 914	590 194	606 474	622 754	639 034	655 314	671 594	687 874
G-7 Gross	761 127	788 275	815 574	842 872	870 171	897 470	924 768	952 067	979 365	1 006 664	1 033 962	1 061 261
Gross pens.	750 674	776 128	801 584	827 039	852 494	877 949	903 404	928 859	954 314	979 770	1 005 225	1 030 680
Net	588 674	607 510	626 346	645 182	664 018	682 854	701 690	720 526	739 362	758 198	777 034	795 870

- Long-service step
The qualifying criteria for in-grade increase from step XI to step XII are as follows:
(a) The staff member should have had at least 20 years of service within the United Nations common system and five years of service at step XI of the current grade;
(b) The staff member's service should have been satisfactory
Non-resident's allowance AS 26,000 per year net (to be included in pensionable remuneration) for eligible staff appointed prior to 1 September 1983 and nil thereafter for staff serving in Vienna
- Language allowance First additional language - AS 16,551 per year net, second additional language - AS 8,276 (to be included in pensionable remuneration)
Increments Salary increments within the levels shall be awarded annually, on the basis of satisfactory service.

Annex VI

Appendix A (continued)

Dependency allowances:

Dependent child	Austrian schillings net per annum			
	1 st child	2 nd child	3 rd and each additional child	[Previous allowance
Under 10	26,617	28,717	30,817	25,717
10 and over	29,617	31,717	33,817	28,717
19 and over	33,217	35,317	37,417	32,317]

Dependent spouse

For staff members appointed prior to 1 October 1996.....AS 5,353

For staff members appointed on or after 1 October 1996.....AS 5,280

Additional allowance for first child of single, widowed, divorced or
legally separated parent AS 5,479

Secondary dependant AS 2,400

The secondary dependant allowance for a dependent parent, brother or sister
was abolished as of 1 July 1981. Payment will be maintained, however, for staff
members already in receipt of this allowance prior to 1 July 1981 who are
otherwise eligible.

Appendix C (100 Series)

Annex VII

SCALE OF PENSIONABLE REMUNERATION FOR THE PROFESSIONAL AND HIGHER CATEGORIES

Scale of pensionable remuneration

(For purposes of pension benefits and pension contributions)
(In United States dollars)

Effective 1 November 2000

S T E P S

LEVEL	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
D-2	151 092	154 526	157 959	161 389	164 822	168 256									
D-1	133 820	136 564	139 307	142 046	144 791	147 671	150 611	153 552	156 487						
P-5	118 433	120 916	123 398	125 881	128 364	130 844	133 327	135 811	138 290	140 774	143 256	145 745	148 405		
P-4	97 918	100 341	102 760	105 179	107 602	110 021	112 442	114 864	117 284	119 703	122 122	124 549	126 967	129 387	131 810
P-3	81 496	83 577	85 657	87 734	89 817	91 896	93 975	96 058	98 235	100 511	102 784	105 058	107 332	109 605	111 881
P-2	66 859	68 723	70 581	72 442	74 302	76 163	78 023	79 880	81 744	83 604	85 463	87 325			
P-1	52 062	53 855	55 641	57 428	59 217	61 003	62 794	64 580	66 367	68 156					

Annex VIII

Appendix E

EDUCATION GRANT

Definitions

- (a) [no change]

Payment of the grant

(b) The education grant provided for under staff regulation 6.10(a) shall be payable in respect of each child as set out below. However, for expenses incurred in specific currencies as determined by the International Civil Service Commission, the maximum amounts mentioned in all paragraphs below shall be established in those currencies. This includes the US dollar amount for attendance at an educational institution in the United States of America.

- (i) In the case of attendance at an educational institution outside the duty station, the amount of the grant shall be:
- (A) Where the institution provides board (food and lodging) for the child, 75 per cent of the cost of attendance and board up to US\$ 13,000 per year (US\$ [20,748] 23,445 in the United States), with a maximum grant of US\$ 9,750 (US\$ [15,561] 17,584 in the United States) a year;
- (B) Where the institution does not provide board, US\$ [3,164] 3,373 (US\$ [4,299] 4,583 in the United States) plus 75 per cent of the cost of attendance up to US\$ [8,781] 8,503 (US\$ [15,016] 17,334 in the United States) per year, with a maximum grant of US\$ 9,750 (US\$ [15,561] 17,584 in the United States) a year.
- (ii) In the case of attendance at an educational institution at the duty station:
- (A) The amount of the grant shall be 75 per cent of the cost of attendance, up to US\$ 13,000 (US\$ [20,748] 23,445 in the United States) per year, with a maximum grant of US\$ 9,750 (US\$ [15,561] 17,584 in the United States) a year;
- (B) [no change]
- (iii) [no change]
- (iv) For staff members serving at duty stations where educational facilities are not available or are deemed inadequate, as determined by the International Civil Service Commission, the amount of the grant in respect of primary and secondary education shall be 100 per cent of boarding costs up to US\$ [4,746] 5,060 (US\$ [6,449] 6,875 in the United States) plus 75 per cent of the admissible costs of attendance up to US\$ 13,000 (US\$ [20,748] 23,445 in the United States) per year, with a maximum grant of US\$ [14,496] 14,810 (US\$ [22,010] 24,459 in the United States) a year.
- (c) [no change]
(d) [no change]
(e) [no change]
(f) [no change]
(g) [no change]

Tuition of the mother tongue

(h) An education grant may be provided to a staff member serving in a country with a national language different from his or her mother tongue who is obliged to pay tuition for the teaching of the mother tongue to a dependent child attending a local school in which the instruction is given in a language other than his or her own. The Director-General will decide in each case whether the education grant shall be paid for the tuition of the mother tongue. The maximum reimbursable amounts for teaching of the mother tongue within the overall maximum of US\$ 9,750 (US\$ [15,561] 17,584 in the United States) will be published and updated regularly.

Advances against the education grant

- (i) [no change]

Travel

- (j) [no change]
(k) [no change]

Claims

- (l) [no change]

Special education grant for disabled children

- (m) [no change]

(n) The amount of the grant shall be 100 per cent of the admissible educational expenses actually incurred up to a maximum grant of US\$ 13,000 (US\$ [20,748] 23,445 in the United States) per year. If the disabled child is eligible for the regular education grant, the claim shall be made in the first instance against the regular education grant, and reimbursement under the special education grant will be made only in respect of educational expenses incurred for the necessary special teaching or training. The combined total amount payable under the two types of grant shall not exceed US\$ 13,000 (US\$ [20,748] 23,445 in the United States) per year. "Educational expenses" reimbursable under the special education grant shall consist of the expenses incurred to provide an educational programme designed to meet the needs of the disabled child in order that he or she may attain the highest possible level of functional ability. Other costs or fees directly related to the educational programme that are not optional or related to an extracurricular activity may be included in the educational expenses, but not school supplies, uniforms, insurance, donations and contributions or similar charges. If full board (accommodation and meals) is provided for a disabled child attending an educational institution at the duty station, the boarding expenses shall not be reimbursable unless it is medically certified that the full-time boarding in the institution is an integral part of the educational programme. Expenses for equipment shall also be reimbursed, if not otherwise covered under health insurance, up to a maximum of US\$ 1,000 per year within the overall maximum of US\$ 13,000 (US\$ [20,748] 23,445 in the United States) per year.

- (o) [no change]
(p) [no change]
(q) [no change]
(r) [no change]

Currency of reimbursement

- (s) [no change]

Annex IX

APPENDIX G TO THE STAFF RULES

OFFICIAL TRAVEL

Amended paragraphs (r), (s) and (t)

Special arrangements for travel on appointment, education grant, home leave, family visit and repatriation travel

(r) As an alternative to the travel arrangements described in paragraphs (d) to (j) above, for [a staff member] authorized [to travel on home leave] travel on appointment, education grant, home leave, family visit and repatriation a staff member may request payment of an amount equivalent to 75 per cent of the cost of the full economy-class fare, by the least costly regularly scheduled air carrier on the most direct and economical route between the airport closest to the place of departure and the destination [the duty station and the closest airport to the established place of home leave]. For children entitled to student or youth fare [reduced fare] tickets, the lump-sum amount will be equivalent to 75 per cent of the applicable reduced fare. A staff member availing himself or herself of such an arrangement shall be free to make his or her own travel arrangements, without restriction on the choice of travel agent or mode, route and standard of travel [except travel by private car]. This arrangement is deemed to cover all other entitlements relating to the specific travel, including any surface travel [in the country of destination]. By selecting this option, staff members will agree to waive all other entitlements in respect of that travel contained in the Staff Rules and will not be entitled to any further amount for transportation, rest stopovers, terminal expenses, accompanied excess baggage and unaccompanied shipments, or for other incidental expenses. In the case of appointment and repatriation, staff members will be entitled to unaccompanied shipments or removal, as applicable, under appendix H to the Staff Rules. Staff members will be covered by the provisions of appendix D to the Staff Rules if the travel is via the most direct route to and from the authorized places of departure and destination [duty station and the established place of home leave]. For children studying outside the staff member's home country, the cost of the lump sum education grant travel must not exceed the costs of such lump sum travel to or from the nearest airport to the established place of home leave. The staff member may be required to submit proof that he or she as well as eligible family members spent a minimum of 14 days in the country authorized for [of] home leave [in accordance with appendix F to the Staff Rules, paragraph (k)] or family visit and at the duty station for education grant travel.

(s) The provisions of staff rules 108.07 and 208.08 on compensation for loss of or damage to personal effects will not apply if the staff member selects [this arrangement] the lump sum option.

(t) The 75 per cent cash payment may also be requested by staff members who elect to travel by car. [However] In their case the amount paid shall be 75 per cent of the costs of the full economy class or of the student/youth fare, as [applicable] explained in paragraph (r) above, for all eligible family members regardless of whether they travel at the same time or in the same car. [shall be limited to the cost of transporting the staff member and the first eligible family member only, irrespective of the actual number of

persons travelling in the car or the number of cars used.] Alternatively, staff members may continue to claim mileage rate reimbursement and travel subsistence allowance as defined in paragraphs (n) and (o) above. Staff members who elect to travel by car are not covered by the provisions of appendix D to the Staff Rules concerning compensation for travel-incurred illness, injury or death.



United Nations Industrial Development Organization

Distr.
GENERAL

IDB.24/14
25 April 2001

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-fourth session
Vienna, 19-22 June 2001
Item 13 of the provisional agenda

RECOMMENDATION OF A CANDIDATE FOR THE POST OF DIRECTOR-GENERAL

Draft contract for appointment of the Director-General

Note by the Secretariat

1. In accordance with rule 103.4 of its rules of procedure, the General Conference shall consider a draft contract, submitted to it by the Industrial Development Board for approval, establishing the terms and conditions of appointment of the Director-General, including the salary and other emoluments attached to the office. When approved by the Conference, the contract of appointment shall be signed by the new Director-General and by the President of the Conference, acting in the name of the Organization.

2. A draft contract establishing the terms and conditions of appointment of the Director-General is presented in an annex to the present document for

consideration by the Board. The text of this draft contract is based on that of the previous contract. Paragraph 6 (a) reflects the salary adjusted as a result of General Assembly resolutions on the common system reported to the Board in document IDB.24/13. As in the previous contract, it reflects the adjustment of the Director-General's gross and net base salary level whenever the General Assembly, in accordance with approved methodologies, adjusts the gross and net base salary level of staff in the Professional and higher categories. Paragraph 7 shows two alternatives for participation and non-participation in the United Nations Joint Staff Pension Fund. The cost to the Organization of either alternative is the same.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

Annex

DRAFT CONTRACT FOR APPOINTMENT OF THE DIRECTOR-GENERAL

THIS CONTRACT is made

between the United Nations Industrial Development Organization (herein after called the Organization) for the one part

and (hereinafter called the Director-General) for the other part.

WHEREAS

The Director-General, upon recommendation of the Board, has been duly appointed by the Conference at its ninth session held in December 2001.

IT IS HEREBY AGREED AS FOLLOWS:**1. Term of Office**

The Director-General shall be appointed for a period of four years from the day of two thousand one (2001), or until the Director-General to be appointed at the eleventh regular session of the General Conference assumes office, whichever is later.

2. Official Duty Station

The official duty station for the Director-General shall be Vienna, Austria.

3. Official Duties

In accordance with Article 11 of the Constitution of the Organization, the Director-General shall be the chief administrative officer of the Organization.

4. Privileges and Immunities

The Director-General shall enjoy all the privileges and immunities in keeping with his/her office as determined by the Constitution of the Organization, Article 21, and any relevant legal instruments already in force or to be concluded in the future.

5. Staff Regulations

The Director-General shall be subject to the Staff Regulations of the Organization, together with such amendments as may be made thereto, in so far as they are applicable to him/her.

6. Assessable Salary and Allowances

(a) The annual gross salary of the Director-General shall be US dollars two hundred and five thousand three hundred and nine (205,309), corresponding to an annual net base salary equivalent to US dollars one hundred and thirty seven thousand four hundred and ninety-two (137,492) (dependency rate) or US dollars one hundred and twenty-two thousand two hundred and sixty-eight (122,268) (single rate) respectively. The gross and net base salary shall be adjusted whenever the General Assembly decides to adjust the gross and net base salary levels of staff in the Professional and higher categories;

(b) He/She shall receive post adjustment, allowances and benefits, including social security benefits, for which a staff member in the Professional category of the UNIDO Secretariat would be eligible under the Staff Regulations and Staff Rules of the Organization, provided the purpose of such emolument, allowance or benefit has not already been met by other provisions of the present contract;

(c) The Director-General shall receive a representation allowance of Austrian schillings three hundred and sixty-one thousand two hundred (361,200) per annum; as of 1 January 2002, euros twenty-six thousand two hundred and forty-nine (26,249) per annum, adjusted for the budgeted annual inflation rate, to meet his/her share of the obligations which the Organization incurs in the form of representation and hospitality expenditure;

(d) He/She shall receive a housing allowance amounting to Austrian schillings six hundred and eleven thousand four hundred and sixty (611,460) per annum; as of 1 January 2002, euros forty-four thousand four hundred and thirty-seven (44,437) per annum adjusted for the budgeted annual inflation rate;

(e) The above salary, allowances and benefits to which the Director-General is entitled under this agreement shall be subject to adjustment by the Board, after consultations with the Director-General, to keep them in line with those of the executive heads of other specialized agencies within the common system of the United Nations.

7. Pension Arrangements¹

Alternative A

The Director-General shall participate in the United Nations Joint Staff Pension Fund in accordance with the provisions of decision IDB.10/Dec.17 (d) of the Industrial Development Board. His/Her pensionable remuneration shall be determined and adjusted in accordance with the provisions of articles 54 (c) and (b) of the regulations and rules of the United Nations Joint Staff Pension Fund.

Alternative B

The Director-General shall not participate in the United Nations Joint Staff Pension Fund. Instead, he/she shall have an amount equal to 15.8 per cent of pensionable remuneration, corresponding to the Organization's contribution to the Pension Fund, paid as a supplement to his/her remuneration, in lieu of participation in the Pension Fund, in accordance with General Assembly resolution 47/203.

8. Currency of payments

Payments will be effected in the currency applicable to staff in the Professional and higher

categories serving at the official duty station Vienna, Austria.

9. Notice of Resignation

The Director-General may at any time give three months' notice of resignation in writing to the Board, which is authorized to accept his/her resignation on behalf of the General Conference, in which case, upon expiration of such period of notice, he/she shall cease to be Director-General of the Organization and this contract shall terminate.

10. Entry into force

This contract shall enter into force as of the day of 2001.

SIGNED this day of 2001 at Vienna.

(.....)

President of the Conference
acting on behalf of the
Organization

(.....)

Director-General

¹ Alternative A will be included in the contract if the elected Director-General becomes a participant in the United Nations Joint Staff Pension Fund. Alternative B will be applicable if he/she does not become a participant.



United Nations Industrial Development Organization

Distr.
GENERAL

IDB.24/15
24 April 2001

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-fourth session
Vienna, 19-22 June 2001
Item 8 of the provisional agenda

FIELD REPRESENTATION

Progress report by the Director-General

Reports on the implementation of decision IDB.23/Dec.8.

Introduction

1. At its twenty-third session, in decision IDB.23/Dec.8, the Industrial Development Board requested the Secretariat, in consultation with Member States, to provide an in-depth analysis of the current situation of the field offices and their contribution to technical cooperation delivery in order to enhance their effectiveness and submit it to the twenty-fourth session of the Board.

2. The Board also requested the Director-General to provide more comprehensive details of the Secretariat's approach towards effective decentralization in order to continue consultations with Member States and to report thereon to the twenty-fourth session of the Board.

3. In response to those requests, the present document outlines the main developments in the first quarter of the year.

I. STUDY ON THE CURRENT SITUATION OF UNIDO FIELD OFFICES

4. In the intervening months, the Secretariat elaborated and conducted a detailed survey on the functioning of field offices, with particular emphasis on the role played by them in the formulation and

implementation phases of technical cooperation programmes and projects. The survey involved regional programme staff, local counterparts, Headquarters team leaders and project managers. Most of the responses have been received and analysed in a study that will be finalized upon the receipt of a few remaining inputs. At this stage, the study confirms the limited role played by the field offices in the formulation and implementation phases of technical cooperation assistance and highlights the inherent dilemma between more effective field coverage through field representation and less human and financial resources. The study and its findings will be presented to the Board at its twenty-fourth session.

II. UNIDO'S APPROACH TOWARDS DECENTRALIZATION

5. In the second half of 2000, the Secretariat engaged in extensive consultations with Member States regarding the opportunity to expand and qualitatively change the field structure by empowering field staff with substantive technical cooperation activities. During those consultations, Member States noted that effective decentralization of activities to the field had remained incomplete and reaffirmed the need to proceed further. However, they expressed their preference, for the time

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

V.01-82968 (E)

Distr.: 21 May 2001

being, for consolidation of the existing field structure while eliminating organizational inefficiencies.

6. In light of the foregoing, the Secretariat has maintained its 36 offices, including 10 regional and 18 country offices.¹ The nature and functions of field offices have also remained virtually unchanged. The only exception is the regional office in Nigeria, which has been empowered with substantive responsibilities in the implementation of the Country Service Framework. The Head of the regional office is the team leader of the Framework.

7. The enhanced regional office in Nigeria represents the first pilot case towards effective decentralization. Based on this experience, the Organization will then be in a better position to prepare a more detailed plan on how decentralization should proceed.

III. ACTION REQUIRED OF THE BOARD

8. The Board may wish to take note of the information provided in the present document.

¹ The status of UNIDO field representation as of 31 December 2000 is provided in the *Annual Report 2000* (IDB.22.2, appendix K).